

October 10, 2014

Executive Secretary
North Dakota Public Service
Commission
State Capitol Building
Bismarck, ND 58505-0480

Re: Fuel and Purchased Power Adjustment
Case No. PU-14-___

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., herewith respectfully files an original and two (2) copies of its fuel and purchased power adjustment (F&PP) pursuant to its Rate 58.

	<u>Primary</u>	<u>Secondary</u>
Base Fuel	\$0.02024	\$0.02087
Fuel and Purchased Power Adjustment	0.00206	0.00310
Total Adjustment billed under Rate 58	<u>\$0.02230</u>	<u>\$0.02397</u>

Exhibit A is the 30th Revised Sheet No. 42.2 showing the proposed Fuel and Purchased Power Adjustment to be effective with service rendered on and after November 1, 2014.

Exhibit B, page 1 summarizes the fuel and power adjustment calculated pursuant to the terms of Rate 58 that will apply during the month of November 2014. Pages 2-4 show the calculation of the adjustment for November 2014.

The net effect of this F&PP adjustment is a decrease of 0.046 cents per Kwh for primary service customers and a decrease of 0.030 cents per Kwh for secondary service customers for service rendered in the month of November 2014. All of North Dakota's electric customers will be affected by this proposal. There were 88,015 electric customers in North Dakota as of September 30, 2014.

The decrease in the F&PP for November is caused by the fact that the higher cost month of May, used in the October calculation, was replaced by the lower cost month of September.

In response to Paragraph No. 11 of NDAC Section 69-09-02-39, Montana-Dakota purchases natural gas used for electric generation from its own gas operations or transports natural gas purchased from others under the applicable gas tariff approved and on file with the Commission in the state where the purchase is made or the transportation occurs. Montana-Dakota also has an agreement with its own gas operations associated with the pipeline utilized to transport firm natural gas service to the Heskett III Station pursuant to the order in Case Nos. PU-14-108 and PU-14-109.

Montana-Dakota submitted a check for \$600.00 on December 13, 2013. This payment will cover the filing fee associated with this monthly FCA filing in accordance with North Dakota Century Code Section 49-05-05.

Please acknowledge receipt by stamping or initialing the duplicate copy of this letter attached hereto and returning the same in the enclosed self-addressed, stamped envelope.

Sincerely,



Tamie A. Aberle
Director of Regulatory Affairs

Attachment

Proposed Fuel and Purchased Power Adjustment



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
30th Revised Sheet No. 42.2
Canceling 29th Revised Sheet No. 42.2

FUEL AND PURCHASED POWER ADJUSTMENT Rate 58

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2. Refunds from supplier(s) and market operators with respect to fuel and purchased power costs.
3. Carrying charges or credits at a rate equal to the three-month Treasury Bill rate as published monthly by the Federal Reserve Board.
4. The balance in the Deferred Fuel Cost Account shall be decreased each month by the amount of the Surcharge Adjustment multiplied by the Kwh sales for the month. The amount amortized shall be applied pro rata between the Deferred Fuel Cost Account and the interest balance.

5. Manner of Filing:

The Company shall file a monthly statement showing the calculation of the Fuel and Purchased Power Adjustment with the Commission prior to implementing the monthly adjustment. The adjustment in rates shall be effective with service rendered on and after the first day of each month, unless the Commission shall otherwise order.

6. Fuel and Purchased Power Adjustment:

	Primary	Secondary
Base Fuel	2.024¢	2.087¢
Fuel and Purchased Power Adjustment	0.206	0.310
Total FPPA	2.230¢	2.397¢

Date Filed: October 10, 2014

Effective Date:

Issued By: Tamie A. Aberle
Director- Regulatory Affairs

Case No.:

**MONTANA-DAKOTA UTILITIES CO.
FUEL COST ADJUSTMENT - NORTH DAKOTA
NOVEMBER 2014 BILLING ADJUSTMENT SUMMARY**

	<u>Primary</u>	<u>Secondary</u>
Current Adjustment (Page 2)	\$0.00277	\$0.00394
Prior Adjustment	0.00323	0.00424
Change in Current Adjustment	<u>(\$0.00046)</u>	<u>(\$0.00030)</u>
 <u>Surcharge Adjustment:</u>		
Current Adjustment (Exhibit 3)	(0.00071)	(0.00084)
Prior Adjustment	(0.00071)	(0.00084)
Change in Surcharge Adjustment	<u>0.00000</u>	<u>0.00000</u>
 Total Change in Fuel and Purchased Power	 <u><u>(\$0.00046)</u></u>	 <u><u>(\$0.00030)</u></u>
Base Cost of Fuel 1/	\$0.02024	\$0.02087
Current Adjustment	0.00277	0.00394
Surcharge Adjustment	(0.00071)	(0.00084)
Total Adjustment billed under Rate 58	<u><u>\$0.02230</u></u>	<u><u>\$0.02397</u></u>

1/ Established in Case No. PU-10-124.

**MONTANA-DAKOTA UTILITIES CO.
FUEL AND PURCHASED POWER ADJUSTMENT - NORTH DAKOTA
NOVEMBER 2014**

	Total 1/	Allocation to 2/ North Dakota	Allocation to 3/	
			Primary	Secondary
Fuel & Purchased Power Costs				
Account 501 and 547	\$15,191,700	\$10,254,121	\$1,623,993	\$8,630,128
Account 555 Energy	5,548,744	3,745,301	593,161	3,152,140
Account 555 Demand and 547 Pipeline Charges 4/	2,010,033	1,451,805	100,900	1,350,905
Account 575 Market Admin. 4/	112,842	76,166	12,063	64,103
Total Fuel & Purchased Power	\$22,863,319	\$15,527,393	\$2,330,117	\$13,197,276
Fuel Costs - Wholesale sales	188,960	127,545	20,200	107,345
System Costs	\$22,674,359	\$15,399,848	\$2,309,917	\$13,089,931
Wholesale sales Margin 4/	(35,769)	(24,143)	(3,824)	(20,319)
Revenue from Sale of RECs 5/	(1,267)	(1,161)	(184)	(977)
Total Costs - net of margin	\$22,637,323	\$15,374,544	\$2,305,909	\$13,068,635
Kwh Retail Sales	928,762,913	626,898,044	100,231,276	526,666,768
Cost Per Kwh		\$0.02452	\$0.02301	\$0.02481
Base Cost of Fuel			0.02024	0.02087
Current Adjustment			\$0.00277	\$0.00394

1/ Page 3.

2/ Energy allocated on Kwh sales and demand is allocated on Allocation Factor No. 15, Integrated System peak demand.

3/ Energy is allocated on Kwh sales at generation and demand is allocated on class Allocation Factor No. 2, Average and Excess Demand.

4/ Authorized in Case No. PU-10-124 and PU-14-108.

5/ Allocated to North Dakota based on REC sales by unit and allocated between primary service and secondary service based on Kwh sales at generation.

MONTANA-DAKOTA UTILITIES CO.
FUEL AND PURCHASED POWER TRACKING ADJUSTMENT - INTEGRATED SYSTEM
NOVEMBER 2014

	2014				Total
	June	July	August	September	
Fuel & Purchased Power Costs					
Account 151 and 547	\$3,315,710	\$3,990,149	\$4,354,274	\$3,531,567	\$15,191,700
Account 555 Energy 1/	1,320,548	1,402,166	1,725,777	1,100,253	5,548,744
Account 555 Demand and 547 Pipeline Charges 2/	386,783	401,576	617,887	603,787	2,010,033
Account 575 Market Admin. 2/	28,962	30,762	27,965	25,153	112,842
Total Fuel & Purchased Power	\$5,052,003	\$5,824,653	\$6,725,903	\$5,260,760	\$22,863,319
Fuel Costs - Sales for Resale	38,054	17,721	61,404	71,781	188,960
System Costs	\$5,013,949	\$5,806,932	\$6,664,499	\$5,188,979	\$22,674,359
Sales for Resale - Margin 2/	(9,969)	2,117	(11,015)	(16,902)	(35,769)
Total Costs - net of margin	\$5,003,980	\$5,809,049	\$6,653,484	\$5,172,077	\$22,638,590
Kwh Retail Sales	217,143,261	235,398,069	241,828,577	234,393,006	928,762,913
Cost Per Kwh	\$0.02304	\$0.02468	\$0.02751	\$0.02207	\$0.02437

1/ Page 4.

2/ Authorized in Case No. PU-10-124 and PU-14-108.

**MONTANA-DAKOTA UTILITIES CO.
ACCOUNT 555
NOVEMBER 2014 BILLING ADJUSTMENT**

Account No.	Account Description	2014			
		June	July	August	September
555.1	Purchased Power	\$0	\$0	\$4,705	\$0
555.111	Day-Ahead Asset Energy	2,538,775	1,874,906	2,486,335	1,664,734
555.114	Real-Time Asset Energy	25,081	61,422	8,596	194,390
555.117	Real-Time Excessive Energy	(821)	(1,261)	(215)	(758)
555.118	Real-Time Non-Excessive Energy	(331,175)	171,947	(76,464)	(637,395)
555.1211	Day-Ahead Asset Congestion	(496,904)	(300,220)	10,738	(48,005)
555.1215	Real-Time Asset Congestion	2,073	19,615	(2,985)	(39,532)
555.1219	Real-Time Non-Excessive Congestion	24,258	(44,340)	(32,570)	171,216
555.1230	Revenue Rights Transaction	(276,881)	(276,881)	(276,881)	(223,348)
555.1232	Revenue Rights Infeasible Uplift	11,460	11,460	11,460	8,067
555.1233	Revenue Rights Stage 2 Distribution	(55,628)	(55,698)	(55,661)	(33,397)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(2,034)	(16)	(4,558)	7
555.130	Real-Time Non-Excessive Loss	34,301	(20,608)	15,006	78,573
555.131	Day-Ahead Asset Loss	(28,914)	(60,673)	(50,702)	(79,925)
555.135	Real-Time Asset Loss	(18,686)	34,806	(317,067)	59,045
555.136	Real-Time Distribution of Loss	(49,174)	(17,808)	(17,126)	(8,651)
555.151	Day-Ahead Rev Suff Guarantee Distribution	13,468	6,730	12,156	11,316
555.153	Real-Time Miscellaneous	(28,824)	(1,553)	(26)	(958)
555.154	Real-Time Net Inadvertent Distribution	19,682	(5,303)	(22,771)	520
555.155	Real-Time Revenue Neutrality Uplift	35,364	52,507	51,315	32,139
555.156	R-T Rev Suff Guarantee First Pass Distribution	6,689	4,311	28,099	11,285
555.159	Day Ahead Schedule 24	3,315	3,637	3,888	3,591
555.160	Real Time Schedule 24	300	395	525	486
555.162	Real Time Price Volume Make Whole Payment	(9,038)	(9,159)	(3,290)	(12,240)
555.163	Real Time Resource Adequacy Auction Amount	(54,546)	(54,546)	(58,182)	(52,728)
555.1700	Day-Ahead Regulation Amount	(503)	(1,138)	(1,307)	(10,060)
555.1701	Day-Ahead Spinning Reserve Amount	(2,519)	(3,412)	(3,475)	(10,200)
555.1710	Real-Time Net Regulation Adjustment	(13)	(47)	(5)	29
555.1711	Real-Time Excessive Deficient Energy Deployment	18	52	11	60
555.1713	Real-Time Regulation Amount	83	511	1,072	7,682
555.1714	Real-Time Spinning Reserve Amount	(450)	(1,000)	137	594
555.1716	Real-Time Regulation Cost Distribution	7,182	6,013	6,306	5,751
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	6,802	4,866	6,048	5,414
555.1718	Real-Time Supplemental Reserve Cost Distribution	2,997	2,640	2,651	2,548
555.5	Purchased Power Cogeneration	(55,190)	11	13	3
Total Account 555 Charges		<u>\$1,320,548</u>	<u>\$1,402,166</u>	<u>\$1,725,777</u>	<u>\$1,100,253</u>